



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

March 8, 2006

Ray Peck, Treasurer  
Montana State Democratic Central Comm.  
P.O. Box 802  
Helena, MT 59624

**Response Due Date:**  
**April 7, 2006**

Identification Number: C00010033

Reference: Year End Report (7/01/05 – 12/31/05)

Dear Mr. Peck:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-The totals listed on Lines 11(a)(i) and 11(a)(ii), Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule A supporting Line 11(a)(i) of your report discloses one or more receipts totaling \$2,344.00 from the "Pass The Hat." Please amend your report to clarify the nature of these receipts.

-Schedule A of your report discloses one or more contributions totaling \$13,344.41 from "United Food and Commercial Worker," "Allegra Printing & Imaging," "Blaemire Communication," "Middle Creek Center," "Wells Fargo Bank," "Anderson & Baker Law Offices," and "Gough, Shanahan Johnson & Waterman," which appear to be corporations and/or labor organizations. 2 U.S.C. §441b(a) prohibits the receipt of contributions from corporations and labor organizations unless made from separate segregated funds established by the corporations and labor organizations.

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If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you must amend your original report with clarifying information.

If you have received prohibited contributions, you may have to make a refund. If within 30 days of receipt you (1) transferred the prohibited amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund, you may retain the contribution in an account not used to influence federal elections. Any request from a donor for a refund must be honored.

If the foregoing conditions for transfers to a non-federal account were not met within 30 days of receipt, the prohibited amount must be refunded. See 11 CFR §103.3(b)(1).

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, prompt action by your committee to transfer-out or refund the amount will be taken into consideration.

-Schedule A of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §110.2(d) prohibit a state, district or local party committee (combined) from receiving any contribution from a multicandidate political committee in excess of \$5,000 per calendar year.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information.

If any contribution you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

If the foregoing conditions for transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

-Your report does not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

-Schedule B supporting Line 21(b) of your report discloses payments totaling \$109,764.39 for "Administrative/Salary/Overhead: Printing," "Invitation Printing," "Other: AD;001;21A;ADV," "Other: Media," "Other: MEDIA BUY;001;21B," "Other: Printing," "Other: PRINTING;001;21A;ADV," and "Other: PRINTING;00;21B." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

-Please clarify all expenditures made for "FUNDRAISING," "Fundraising," and "Other: ROOM;001;21A;ADV" on Schedule B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Schedule H4 supporting Line 21(a) of your report discloses payments for "Insurance Reimbursement" and "INSURNACE." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

-Schedule B supporting Line 29 discloses \$61,446.35 in transfers to what appears to be a non-federal account of your committee. Please provide further clarification regarding this transfer(s) to your non-federal account.

You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. If any of these disbursements were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1 In addition, if your non-federal account has paid any expenditures which should have been allocated, you are advised to correct any non-compliance with 11 CFR §§106.6 and 106.7 and establish procedures to insure future compliance with allocation regulations.

-On Schedule H4, your allocated activity or event year-to-date total calculations for the Administrative category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive, exempt activity costs and expenses for public communications made by PACs

referencing only political parties are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have not included the full name and/or mailing address for several vendors listed. Please amend your report accordingly.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B of your report to clarify the following descriptions: "Administrative/Salary/Overhead: Research," "Other:," and "Other: RESEARCH;001;21A;ADV." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

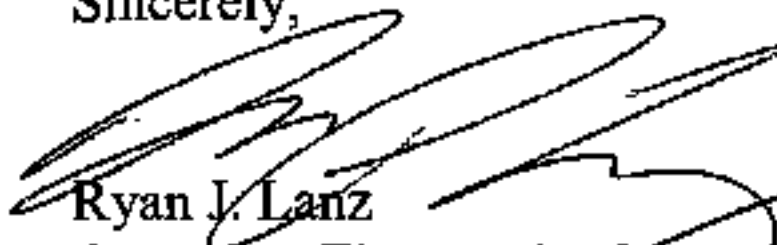
-Schedule H4 of your report discloses reimbursements to individuals for "Insurance Reimbursement," "INSURNACE," "Meals Reimbursement," "Office Equipment," "Office Supplies Reimbursement," "Reimbursed Expenses," "REIMBURSE FOOD;001;21A;ADV," "REIMBURSE FOOD;001;21B," and "REIMBURSE INSURANCE;001;21B." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

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Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1399.

Sincerely,



Ryan J. Lantz  
Campaign Finance Analyst  
Reports Analysis Division

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Contributor Name	Date	Amount	Report
Glacier PAC	4/19/05	\$5,000.00	2005 Mid-Year
Glacier PAC	11/21/05	\$6,000.00	2005 Year End

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